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Egypt

Cotton and Products

Annual

2008

Approved by:

Peter Kurz
U.S. Embassy

Prepared by:

Chris Rittgers & Sherif Ibrahim

Report Highlights:

Total cotton area in 2008/09 is forecast to decline. While exports are expected to increase significantly, imports are expected to increase slightly.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1]
[EG]

Table of Contents

PSD **3**
 Area Planted and Production 3
Consumption and Utilization **4**
 Prices 4
Trade **4**
 Trade Matrix 5
Stocks **5**

PSD

PSD Table Cotton (HECTARES)1000 480 lb. Bales(PERCENT)(KG/HA)									
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		08/2006	08/2006		08/2007	08/2007		08/2008	08/2008
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	246	246	246	250	214	231	0	0	200
Beginning Stocks	816	761	816	828	891	734	815	931	736
Production	975	813	975	1050	725	970	0	0	840
Imports	550	630	438	550	635	114	0	0	120
MY Imports from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	2341	2204	2229	2428	2251	1818	815	931	1696
Exports	500	380	500	600	350	372	0	0	600
Use	1000	920	980	1000	950	690	0	0	750
Loss	13	13	15	13	20	20	0	0	15
Total Dom. Cons.	1013	933	995	1013	970	710	0	0	765
Ending Stocks	828	891	734	815	931	736	0	0	331
Total Distribution	2341	2204	2229	2428	2251	1818	0	0	1696
Stock to Use %	55.2	68.53846	49.59459	50.9375	71.61538	69.3032	0	0	24.51852
Yield	863	720	863	914	738	914	0	0	914

Area Planted and Production

Total cotton area in 2008/2009 is forecast to be 200,000 HA, compared to 231,000 HA in 2007/2008. Area continues to decline as a result of lower export prices and less attractive returns. In 2008/09, further decreases in both area and production are expected. These expected decrease are mainly due to the continued price increases for local corn and rice, and the jump in wheat prices, coupled with the decreases in cotton prices. This has led farmers to replace cotton with more lucrative crops.

In 2008/2009, approximately 25 percent of the total cotton crop is expected to be extra long staple (ELS) varieties (staple lengths of 1 3/8 inches and above), about the same percentage as the previous season. The only ELS varieties are now Giza 88, Giza 86. The remainder of the crop is comprised of long staple (LS) varieties (staple lengths of 1 1/4 inches): Giza 80 and Giza 90. Every year the government specifies certain varieties of cotton for each growing region, and farmers are obligated to cultivate those varieties according to their respective areas. The Ministry of Agriculture continues to be the sole distributor of cottonseed.

Consumption and Utilization

For 2008/2009, total use is projected at 765,000 bales, reversing a downward trend of previous years. Until a few years ago, the textile industry's annual requirement of raw cotton averaged between 1.2 and 1.4 million bales.

Prices

Market prices for the 2007/08 season were reported at LE 650 (\$ 118) for Giza 86, LE 750 (\$136) for Giza 88, and LE 540 (\$98) for Giza 90 (prices are per kantar of 50 kg). This is compared to LE 750 (\$ 136) for Giza 86, LE 900 (\$163) for Giza 88 and LE 650 (\$ 118) for Giza 90 varieties, in the 2006/07 season. As the above price data indicate, local prices for most varieties continue to fall except for Giza 88, leading to the decline in attractiveness of planting cotton.

Trade

Exports in 2007/08 are expected to reach 372,000 bales, down from 500,000 bales in the previous year. Exports are forecast to rebound in 2008/09 due to the expected drop in global cotton export surpluses.

In 2007/2008, imports are forecast at 114,000 bales of short staple cotton, mostly from Greece at reported price \$0.79 per LB C&F, including fumigation at the loading port. Egypt also imported Acala cotton from Sudan at a reported price of \$ 0.55 per LB and Barakat at \$.76 per LB. Imports for 2008/2009 are forecast to increase slightly to 120,000 bales.

Until recently, imports of U.S. cotton were permitted only from California and Arizona as they were declared free from boll weevil. However, sourcing U.S. cotton from other areas was allowed in 2007. In 2007, Egypt imported about 6,000 bales from U.S, out of which 3,879 bales were the Pima variety.

Trade Matrix

Export Trade Matrix Cotton			
Time Period	2006	Units:	2007
Exports for:			
U.S.	26.172	U.S.	8.205
Others		Others	
Pakistan	100	India	104
India	94.552	Pakistan	55
China	50.123	Italy	29
Italy	41.628	China	27
Turkey	22.564	Turkey	23
S.Korea	17.188	Emirates	21
Emirates	13.596	Switzerland	17
Portugal	11.649	Brazil	16
Japan	11.622	S.Korea	15
Switzerland	10.215	Portugal	11
Total for Others	373.137		318
Others not Listed	38.066		45.795
Grand Total	437.375		372

Stocks

Stocks are expected to decrease in 2008/09 as exports are expected to increase.